

ORIGINAL



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BEFORE THE ARIZONA CORPORATION COMMISSION
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AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
DOCKETED

FEB 14 2008

DOCKETED BY	<i>mm</i>
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IN THE MATTER OF THE
APPLICATION OF VALLEY PIONEERS
WATER COMPANY, INC., AN ARIZONA
CORPORATION, FOR AN EXTENSION
OF THE SERVICE AREA UNDER ITS
EXISTING CERTIFICATE OF
CONVENIENCE AND NECESSITY TO
PROVIDE WATER UTILITY SERVICES
IN MOHAVE COUNTY

Docket No. W-02033A-06-0262

**RESPONSE TO LETTER OF
INSUFFICIENCY NO. 2**

Valley Pioneers Water Company, Incorporated ("Valley Pioneers" or
"Company"), hereby responds to Arizona Corporation Commission Staff's Letter of
Insufficiency No. 2 ("Insufficiency Letter"), as follows:

1. Please provide the request for service from all the property owners in the
proposed extension area.

Ans. Pursuant to discussions with Steve Olea soon after receiving the
Insufficiency Letter, Valley Pioneers has collected a handful of requests for water
service. See Exhibit 1.

1 2. Please provide a map of the requested service territory with an identification of
2 the respective property owners requesting service.

3 **Ans.** See Exhibit 2.
4

5 3. Please provide a map of the requested service territory with an identification of
6 all known water hauling customers that buy water from the Company.

7 **Ans.** Pursuant to discussions with Steve Olea, the Company did not locate water
8 haulers in the proposed extension area.
9

10 4. In reference to Staff's May 19, 2006 Insufficiency letter, Question No. 16, the
11 Company's Representatives at the June 19, 2006 meeting between Staff and the
12 Company, stated that the primary mains would be installed along the section lines.
13 Since there are 14 sections in the application, does it mean the Company will install 56
14 miles of pipeline? Please explain. Assuming the Company's \$26/ft estimate is
15 reasonable; the entire major pipeline project would cost 7.7 million dollars. Is the
16 Company financially capable to fund the pipeline project? Please explain.
17
18

19 **Ans.** The Company believes that initially the system will be extended through
20 main extension agreements between the Company and developers in the extension area
21 or the developers will construct "satellite" systems that the Company will help plan to
22 enable neighbors to connect to these systems. Once these system facilities become
23 operational, the Company anticipates that neighboring landowners will want to connect
24 to the system at a reasonable cost rather than continue to haul water or drill and operate
25 small wells. Put another way, the Company intends to require those requesting water
26 service to finance system construction.
27
28

1 5. In reference to Staff's May 19, 2006 Insufficiency letter, Question #7, according
2 to ADEQ's compliance status reported issued on July 28, 2006, the Company is not in
3 compliance with the Safe Drinking Water Act. ADEQ cannot determine if the system
4 is currently delivering water that meets water quality standards required by Arizona
5 Administrative Code, Title 18, Chapter 4. Please comply with ADEQ rules.

6 **Ans.** Valley Pioneers is in compliance with ADEQ rules. See Exhibit 3.
7

8 6. In reference to Staff's May 19, 2006 Insufficiency letter, Question #10, please
9 provide ADWR's Physical Availability Determination ("PAD") for the requested area.
10 If a PAD has not been obtained from ADWR, please inform Staff of the status of the
11 application for that determination.

12 **Ans.** See question No. 7 below.
13

14 7. In reference to Staff's May 19, 2006 Insufficiency letter, Question #11: Is the
15 Company aware of competing projects utilizing groundwater in Mohave County that
16 plan on using the same groundwater aquifers as the Company? If so, please provide a
17 list of all such competing water projects. Also, please identify which aquifer(s) the
18 projects would affect.

19 **Ans.** ACC staff is essentially seeking to have the Company perform a PAD.
20 This proposal, however, could cost the Company as much as \$50,000 to \$100,000.
21 While the Company does not want to finance such a study, the Company agrees with
22 the ACC staff's implied position that the Company should not seek to commit to serve
23 new residential water demands unless there is sufficient groundwater available to meet
24 that demand. Rather than the Company spending money to study the hydrology,
25 however, Valley Pioneers proposes that the subdividers will have to establish that water
26 is available to allow the Company to meet the subdivision's potential water demand.
27 Put another way, the Company wants the subdividers to bear the cost of establishing
28


1 sufficient groundwater supplies rather than burden its existing customers with such
2 costs.

3
4 8. In reference to Staff's May 19, 2006 Insufficiency letter, Question #13, the
5 Company stated that the Mining Company requests 6,500 ac-ft/yr (equivalent to 4,029
6 gallons per minute ("gpm") water supply from the Company. At the present time, the
7 Company has a total production of 3,280 gpm. The Mining Company's request is 23%
8 more than the Company's wells can produce, not to mention provide adequate water to
9 serve its existing customers. Therefore, the Company must install more wells to meet
10 the Mining Company's request. Please provide information on the number of new wells
11 and their production capacity that the Company plans to add to its water system to
12 handle the Mining Company's demand and be able to serve both the existing customers
13 and the customers in the extension area.

14 **Ans.** First, the Company is not financing wells to produce water for the Mine.
15 Instead, the Mine is financing the rehabilitation of 3 wells as a contribution in aid of
16 construction to help assure that the Company's water needs are met. The Mine is also
17 upgrading pumps, booster stations, and related infrastructure so that service reliability is
18 drastically improved. Overall, the Company anticipates that there will be 5 production
19 wells at Valley Pioneers' well field with a capacity of 4,600 gpm. Further, the Mine
20 has agreed that the Company has to meet its customer demands before serving the Mine
21 water from the 3 upgraded wells. If the Mine needs additional water, then it will have
22 to construct its own wells in areas where those wells proposed capacity meet the well
23 impact criteria established by ADWR and not adversely impact the Company's wells.

24
25 DATED this 13th day of February, 2008.

26 **MOYES STOREY, LTD.**

27
28 
Steve Wene

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2
3 **Original and thirteen** copies filed this
4 13th day of February, 2008, with:

5 Docket Control
6 Arizona Corporation Commission
7 1200 West Washington
8 Phoenix, Arizona 85007

9 Donnelly Herbert
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EXHIBIT 1

1



11/16/2006

Valley Pioneers Water Company
59188 West Chino Drive
Golden Valley, AZ 86413

RE: Water Service for APN 306-30-013

Dear John Clayton,

Westar Development has acquired a 40 acre parcel on the northeast corner of Aztec Road and Bolsa Road in Golden Valley, AZ (APN 306-30-013). Westar is currently in the process of developing the parcel for commercial use including retail and office space, gas station, and motel/hotel.

With the understanding that the parcel is not currently within your CC&N, Westar hereby requests Valley Pioneers Water Company to serve the development as soon as the proposed extension takes place. Westar has retained Arlington Architects & Associates, a Bullhead City firm, to do the engineering and design work for the zoning change and map submittal. Time is of the essence as the development process is well under way.

Please keep us informed regarding the status of the CC&N extension so that we may be assured of service for our development.

Kindest Regards,

A handwritten signature in black ink, appearing to read 'Ashish Dudheker', with a long horizontal flourish extending to the right.

Ashish Dudheker
Corporate Counsel

2

KHALSA

INVESTMENTS LLC.

11/16/06

Valley Pioneers Water Company
59188 West Chino Drive
Golden Valley, AZ 86413

RE: Water Service for APN 306-24-172

Dear John Clayton,

Khalsa Investments has recently purchased a 20 acre parcel on the north side of Shimarump Road in Golden Valley, AZ (APN 306-24-172). Khalsa is currently in the process of developing the parcel for commercial use including retail and office space and a gas station

With the understanding that the parcel is not currently within your CC&N, Khalsa hereby requests Valley Pioneers Water Company to serve the development as soon as the proposed extension takes place. Khalsa has retained Arlington Architects & Associates, a Bullhead City firm, to do the engineering and design work for the zoning change and map submittal. Time is of the essence as the development process is well under way.

Please keep us informed regarding the status of the CC&N extension so that we may be assured of service for our development.

Sincerely,



Robert Katz
Project Manager

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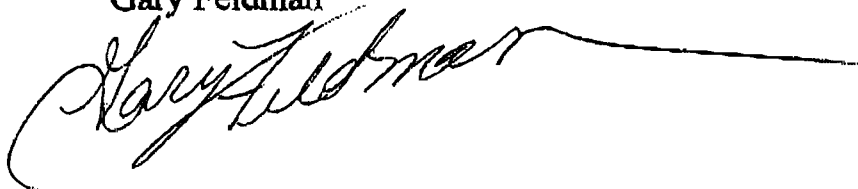
November 17, 2006

To Arizona Corporation Commission

My name is Gary Feldman, I own Parcel 194 in Section 33 two parcels south of Unkar on Mavrick Rd in Golden Valley Arizona.

I am in favor of Valley Pioneer Water Company providing water and sewer to my property. If any questions arise I can be reached at 619-540-2027.

Yours truly,
Gary Feldman

A handwritten signature in cursive script, reading "Gary Feldman", followed by a long horizontal line extending to the right.

01/09/2007 08:35 6027879636

RAYSEGERMANINC

PAGE 02/02

4 & 5



Ray Segerman, Inc.

Construction and Development
11601 N. Bancroft Drive Phoenix, AZ 85028
602-971-7456 602-430-4465
fax- 602-787-9636

January 8, 2007

Mr. John Clayton
Valley Pioneers Water Company Inc.
3482 N. McNeal Road
Golden Valley, AZ 86413

Dear Mr. Clayton:

I am a partner in two properties that fall under your service area for the planned expansion of Valley Pioneer Water Company. One property at the SWC of Unkar and Aztec is currently being designed for 447 single family lots, in addition to approximately 15 acres of commercial use. On the commercial site, we are setting aside property for a storage tank on the southwest corner which would also be incorporated into your expansion plans.

The second site is 71 acres at the NWC of Shinarump and Aztec Road. We are currently in discussions with a commercial developer regarding a potential project that would fall under your planned expansion as well.

We are anxious to cooperate with your pending plans in order to insure water availability for our proposed projects. Please keep me advised of your progress.

Cordially


Ray Segerman
President

Broker license 007871000

Residential license 050989 Commercial license 124897

6

Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

RE: Valley Pioneers Water Company Certificate of Convenience and Necessity
extension

To Whom It May Concern:

(LIETZ)

I, MARGARET H. NEWMAN, am the resident/property owner of,

(Name)

5083 W. MARY WAY

(Address)

APN

306-24-004C

(Assessor's Parcel Number)

This property is within the area that Valley Pioneers is requesting to have added to their existing CC&N. Currently I haul water ☒ own a well ☐ (please check one or both if they apply to you).

I hereby request that Valley Pioneers be the water provider for the above mentioned parcel. I understand that if the CC&N extension is granted, property owners/developers will be required to pay to have water lines extended as per Arizona Administrative Code R14-2-406.

If you have any questions, I can be reached at 928-565-5223

(Phone)

Thank you,

Margaret H. Newman

(Signature)

MARGARET H. NEWMAN (LIETZ)

(Print Name)

2-11-08

(Date)

7

Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

RE: Valley Pioneers Water Company Certificate of Convenience and Necessity
extension

To Whom It May Concern:

I, Stephen McDonald, am the resident/property owner of,

(Name)

4059 W. Bolsa Dr. APN 306-30-016G

(Address)

(Assessor's Parcel Number)

This property is within the area that Valley Pioneers is requesting to have added to their existing CC&N. Currently I haul water ☒ own a well ☐ (please check one or both if they apply to you).

I hereby request that Valley Pioneers be the water provider for the above mentioned parcel. I understand that if the CC&N extension is granted, property owners/developers will be required to pay to have water lines extended as per Arizona Administrative Code R14-2-406.

If you have any questions, I can be reached at 928-530-0318
(Phone)

Thank you,

Stephen J. McDonald
(Signature)

STEPHEN McDONALD
(Print Name)

2-12-08
(Date)

8

Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

RE: Valley Pioneers Water Company Certificate of Convenience and Necessity
extension

To Whom It May Concern:

I, ELMER R. WALLACE, am the resident/property owner of,
(Name) AZ. 86413
4017 W. BOLSA DR. G.V. APN 306-30-016F 6 acres
(Address) (Assessor's Parcel Number)

This property is within the area that Valley Pioneers is requesting to have added to their existing CC&N. Currently I haul water ☒ own a well ☐ (please check one or both if they apply to you).

I hereby request that Valley Pioneers be the water provider for the above mentioned parcel. I understand that if the CC&N extension is granted, property owners/developers will be required to pay to have water lines extended as per Arizona Administrative Code R14-2-406.

If you have any questions, I can be reached at 928-530-0318
(Phone)

Thank you,

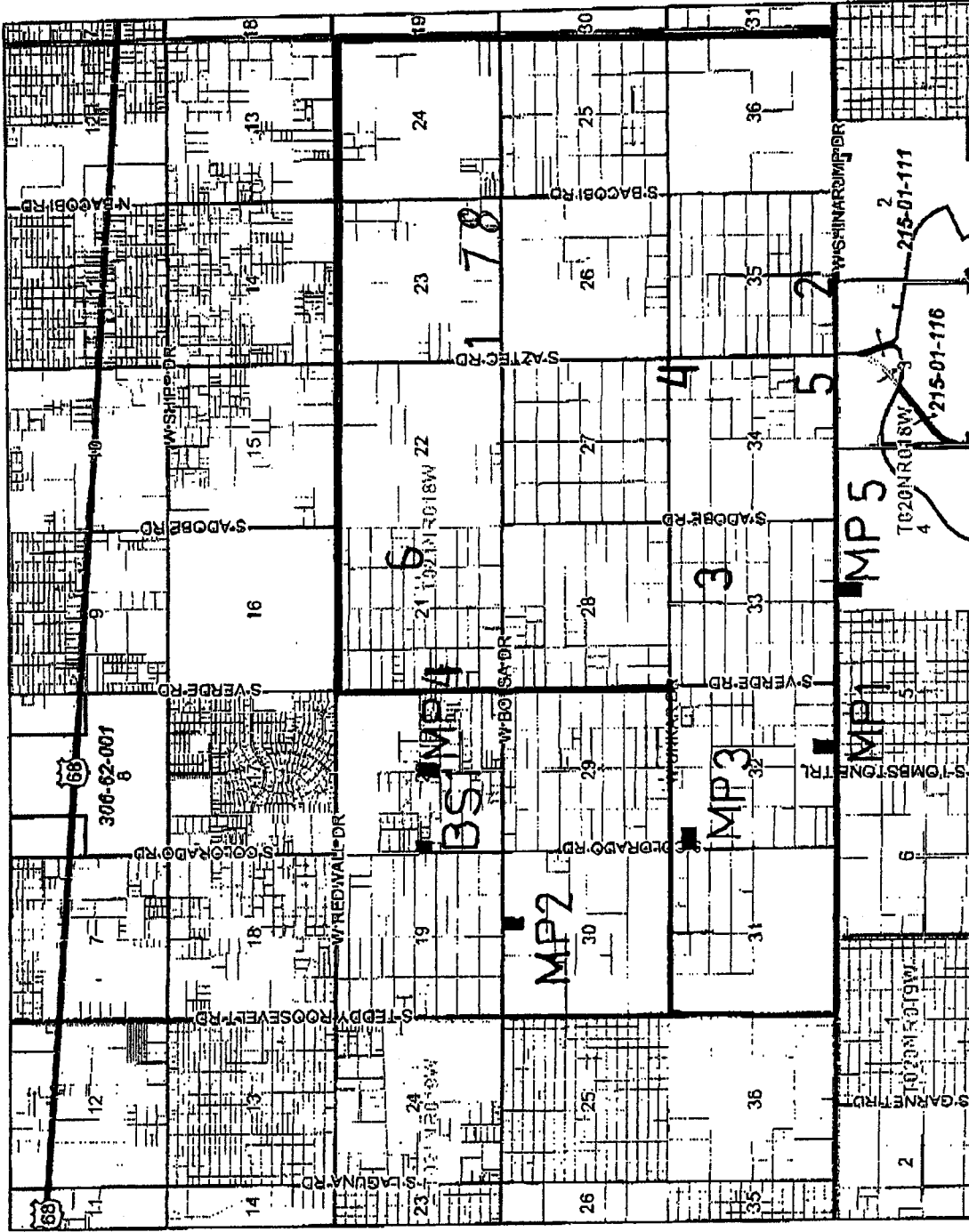
Elmer R. Wallace
(Signature)

ELMER R. WALLACE
(Print Name)

2-13-08
(Date)

EXHIBIT 2

County of Mohave, Arizona Geographic Information Systems



- Populated Places
- Incorporated Cities
- Centerline
- Interstate
- State Highway
- County Highway
- Main Road
- Other Road
- Railroads
- Parcel Hooks
- Tax Parcels
- 2
- 0
- Lots
- Township Range
- Sections
- Federal Lands
- Indian Reservations BIA
- National Monument NPSBLM
- National Park NPS
- National Recreation Area NPS
- Wilderness Area BLM
- Wilderness Study Area NPS
- Land Ownership
- Arizona Game and Fish
- AZ State Trust Land
- Bureau of Land Management
- Bureau of Reclamation
- National Wildlife Refuge
- Indian Allotments
- National Forest
- Military Reservation
- Parks and Recreation

Scale: 1:62,428



Map center: 35° 11' 10" N, 114° 12' 38" W

Map created on: Feb 12, 2008

0 5000 10000 ft.

This map is a user generated static output from Mohave County Interactive Map Viewer and is for general reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED AS A LEGAL DOCUMENT, FOR PROPERTY DESCRIPTIONS, OR DETERMINATION OF LEGAL TITLE, AND SHOULD NEVER BE SUBSTITUTED FOR SURVEY OR DEED INFORMATION. The user agrees to comply with the Limitation of Use, and Assumption of Risk as stated in the full disclaimer at http://indmrv.ca.mohave.az.us/infotiles/moh_test/app/launch.jsp

Supplement to Map
Valley Pioneers Water Company Inc. CC&N requested expansion

VALLEY PIONEERS EXISTING BOOSTER STATION AND WELLS

BS 1	Booster Station #1	1280 S. Colorado Rd.	Inside current CC&N
MP 1	MP well #1	5711 W. Shinarump Dr.	Outside current CC&N
MP 2	MP well #2	6228 W. Bolsa Dr.	Inside current CC&N
MP 3	MP well #3	2346 S. Colorado Rd.	Outside current CC&N
MP 4	MP well #4	1275 S. San Pedro Rd.	Inside current CC&N
MP 5	MP well #5	5186 W. Shinarump Rd.	Outside current CC&N

PROPERTY OWNERS IN EXPANSION AREA REQUESTING VPWC TO BE WATER PROVIDER

1	APN 306-30-013	37 Acres	Westar Development
2	APN 306-24-172	20 Acres	Khalsa Investments, LLC
3	APN 306-24-194	20 Acres	Feldman, Gary
4	APN 306-63-024 & 025	40 Acres	Segerman, Ray
5	APN 306-63-020	71 Acres	Segerman, Ray
6	APN 306-24-004C	10 Acres	Newman, Margaret
7	APN 306-30-016G		Stephen McDonald
8	APN 306-30-016F	6 Acres	Elmer R. Wallace

EXHIBIT 3

Arizona Department of Environmental Quality
Water Quality Compliance Assurance Unit
1110 W. Washington Street, 5415B-1
Phoenix, AZ 85007

Drinking Water Compliance Status Report

Public Water System Name: Valley Pioneer Water Co., Inc.

Public Water System ID #: 08-038

Public Water System Type: ☒ Community ☐ Non-transient Non-community ☐ Transient Non-community

Overall Compliance Status: ☒ No Major Deficiencies ☐ Major Deficiencies

Monitoring and Reporting Status: ☒ No Major Deficiencies ☐ Major Deficiencies

Comments: None

Operation and Maintenance Status: ☒ No Major Deficiencies ☐ Major Deficiencies

Comments: None

Major unresolved/ongoing operation and maintenance deficiencies:

- | | |
|---|---|
| <input type="checkbox"/> unable to maintain 20psi | <input type="checkbox"/> inadequate storage |
| <input type="checkbox"/> cross connection/backflow problems | <input type="checkbox"/> surface water treatment rule |
| <input type="checkbox"/> treatment deficiencies | <input type="checkbox"/> approval of construction |
| <input type="checkbox"/> certified operator | <input type="checkbox"/> other |

Date of last inspection / sanitary survey: 4-25-07

Administrative Orders:

Is an ADEQ administrative order in effect? ☐ Yes ☒ No

Comments: None

System information:

Number of Entry Points to the Distribution System 2 **Number of Sources** 3

Population Served 5700 **Service Connections** 2235 **Initial Monitoring Year** 1995

Evaluation completed by: Donna Calderon, Manager, Drinking Water Monitoring and Protection Unit

Phone: 602-771-4641

Date: February 12, 2008

Based upon data submitted by the water system, ADEQ has determined that this system is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4. This compliance status report does not guarantee the water quality for this system in the future. This compliance status report does not reflect the status of any other water system owned by this utility company.